

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**
FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

0 0 — 0 0 5

2. STATE:

MONTANA

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

June 1, 2000

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 433.51

7. FEDERAL BUDGET IMPACT:

a. FFY 2000 \$ 713,203

b. FFY 2001 \$ 719,516

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19A Page 7 only.

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Attachment 4.19A Page 7 only.

10. SUBJECT OF AMENDMENT:

Reimbursement for the inpatient hospital.

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:

Single State Agency Director

12. SIGNATURE OF STATE AGENCY OFFICIAL:

Michael G. Bellings for

13. TYPED NAME:

Laurie Ekanger

14. TITLE:

Director

15. DATE SUBMITTED:

6/12/2000

16. RETURN TO:

Dept. of Public Health and Human Services
Laurie Ekanger, Director
Attn: Maxine Sharette
PO Box 202951
Helena, MT 59620

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

June 13, 2000

18. DATE APPROVED:

12/21/00

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

6/1/00

20. SIGNATURE OF REGIONAL OFFICIAL:

[Signature]

21. TYPED NAME:

David Selleck

22. TITLE:

Acting Associate Regional Administrator

23. REMARKS:

POSTMARK: unknown

operating cost payment times the hospital's Medicare disproportionate share adjustment percentage developed under rules established under Section 1886 (d) (5) (F) (iv) of the Social Security Act.

M. "HOSPITAL POLICY ADJUSTOR"

Hospitals located in Montana paid via the prospective payment system who meet the following criteria: has 50 or fewer beds; routinely delivers babies; delivered less than 200 babies (all payors) for state fiscal year 1998 ((July 1, 1997 through June 30, 1998) and of the total babies delivered in state fiscal year 1998, 53% were covered either Medicaid primary or Medicaid secondary. Data sources for the Department to confirm who meets the criteria include but is not limited to: Montana Hospital Association database; Montana Medicaid paid claims database; Department's database for vital statistics; and licensing bureau within the Department.

Subject to funding, hospitals qualifying for the "Hospital Policy Adjustor" will receive, in addition to the DRG payment, a payment amount of 5% of the hospital's prospective base rate. The Montana Hospital Association supports the implementation of the "Hospital Policy Adjustor" as many small hospitals located near Indian Reservations have higher percentages of Medical births.

N. QUALIFIED RATE ADJUSTMENT PAYMENT

A hospital located in Montana paid via Medicaid's prospective payment system for inpatient care and that is county owned, county operated or partially county funded, including tax district funding, may be eligible for a Qualified Rate Adjustment Payment. If the eligible hospital's most recently reported usual and customary (allowed billed) charges are greater than the Montana Medicaid allowed payment for inpatient care, the eligible hospital will receive a qualified rate adjustment payment calculated by the department through a formula of usual and customary allowed billed charges not to exceed the UPL minus Montana Medicaid allowed payment times 90%. The 90% QRA payment is the only amount for which federal match is applied. The submitted cost reports from eligible hospitals and information from the paid claims database will be used for calculations. The QRA must be for services (paid claims) on or after June 1, 2000. At the end of the contract period, the department will reconcile to ensure the Medicaid allowed and the qualified rate adjustment payments do not exceed the facility's usual and customary charges.

O APPEAL RIGHTS

Providers contesting the computation of interim payments or final settlement for capital and medical education costs; coding errors resulting in incorrect DRG assignment; medical necessity determinations; outlier determinations; or, determinations of readmission and transfer shall have the opportunity for fair hearing in accordance with the procedures set forth in ARM 46.12.509A.

TN# 00-005

Supersedes

TN# 99-008

Approved: 12/21/00

Effective 06/01/2000